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SENATE BILL 117

46TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2004

INTRODUCED BY

John Arthur Smith

AN ACT

RELATING TO TAXATION; AMENDING PROVISIONS OF THE GROSS RECEIPTS
AND COMPENSATING TAX ACT RELATING TO TEXTBOOK SALES TO POST-
SECONDARY STUDENTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-9-3.2 NMSA 1978 (being Laws 1991,
Chapter 8, Section 1, as amended) is amended to read:

"7-9-3.2. ADDITIONAL DEFINITION. --

A. As used in the Gross Receipts and Compensating
Tax Act, "governmental gross receipts" means all receipts of
the state or any agency, institution, instrumentality or
political subdivision thereof from:

(1) the sale of tangible personal property
other than water from facilities open to the general public;

(2) the performance of or admissions to

underscored material = new
[bracketed material] = delete

1 recreational, athletic or entertainment services or events in
2 facilities open to the general public;

3 (3) refuse collection, refuse disposal or
4 both;

5 (4) sewage services; and

6 (5) the sale of water by a utility owned or
7 operated by a county, municipality or other political
8 subdivision of the state.

9 "Governmental gross receipts" includes receipts from the
10 sale of tangible personal property handled on consignment when
11 sold from facilities open to the general public but excludes
12 cash discounts taken and allowed, governmental gross receipts
13 tax payable on transactions reportable for the period and any
14 type of time-price differential.

15 B. As used in this section, "facilities open to the
16 general public" does not include point of sale registers or
17 electronic devices at a bookstore owned or operated by a public
18 post-secondary educational institution when the registers or
19 devices are utilized in the sale of textbooks [~~or other~~
20 ~~materials~~] required for courses at the institution to a student
21 enrolled at the institution who displays a valid student
22 identification card. "

23 Section 2. Section 7-9-13.4 NMSA 1978 (being Laws 2002,
24 Chapter 20, Section 1) is amended to read:

25 "7-9-13.4. [~~EXEMPTION~~] DEDUCTION -- GROSS RECEIPTS [~~TAX~~] --

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underscored material = new
[bracketed material] = del ete

1 SALE OF TEXTBOOKS FROM CERTAIN BOOKSTORES TO ENROLLED
2 STUDENTS. -- ~~[Exempted from the gross receipts tax are the]~~
3 Receipts from the sale of textbooks ~~[and other materials]~~ that
4 are required for courses at a public post-secondary educational
5 institution may be deducted from gross receipts if the sale is
6 ~~[by a bookstore located on the campus of the institution and~~
7 ~~operated pursuant to a contractual agreement with that~~
8 ~~institution and the sale is]~~ to a student enrolled at the
9 institution who displays a valid student identification card. "

10 Section 3. EFFECTIVE DATE. --The effective date of the
11 provisions of this act is July 1, 2004.